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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

May 10, 2004

Joan Peterson, Ph.D., Project Officer
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Dear Joan:

The following are the responses to your May 6, 2004 questions on the Employer Sponsored Insurance Pilot proposal.

1. In your May 7, 2004 e-mail, you said that AHCCCS has decided that anyone in the ESI program that had a bare period prior to enrolling in KidsCare or ESI HIFA would not have to have another bare period if they want to enroll in KidsCare or HIFA II after the 12-month lock-in period or if they disenroll for any of the exceptions to the 12-month lock-in period. Does this leave anyone who would not have been subject to a bare period prior to their enrollment in ESI?

RESPONSE: No. Persons will not be able to enroll in the ESI pilot without meeting the initial bare period requirement.

2. Can you confirm that no bare period will be imposed on enrollment/re-enrollment into Medicaid?

RESPONSE: No bare period will be imposed before enrollment or re-enrollment into Medicaid.

3. Are you planning to include something along the lines of “the family realizes it would be better off in direct coverage, by virtue of having more benefits and lower cost sharing than in ESI” as an exception to the 12-month lock-in requirement?

RESPONSE: No, we are not planning to allow people to disenroll for those reasons. If we did, the affect would be that there would be no lock-in. As discussed in the response to question 4, the agency will assist individuals to make an informed choice before deciding whether to enroll in the ESI pilot.

4. Regarding the matter of “informed choice”, you indicated that AHCCCS will create a side-by-side worksheet for individuals to use to compare costs and benefits/services. Will customer service staff be available to assist individuals with this tool and/or to provide direct information about the options

RESPONSE: Yes. An eligibility specialist will assist applicants to make an informed choice including comparing the employer’s group health plan with the benefits available under SCHIP or HIFA II. Part of that discussion will be cost sharing under both programs.

5. Your April 23, 2004 response to Question 21 explains that cost-effectiveness will be assessed on a case-by-case basis "before enrollment into the ESI pilot." Does this mean that if the ESI premium is higher than the monthly capitation amount for direct coverage by AHCCCS, the member will not be allowed to enroll in the pilot? Would an employer group health plan with premiums that exceed the threshold be excluded from the pilot?

RESPONSE: Yes. If the ESI premium is more costly than capitation payments to the health plans, the ESI plan would not be cost effective and the individual will not be enrolled in the ESI pilot.

6. In Attachment 2 regarding the evaluation, it appears that the first and sixth bullet points in the list of data elements AHCCCS will collect are duplicative, in that they both pertain to the amount AHCCCS reimburses the enrollee. Please explain.

RESPONSE: These data elements do appear to capture the same information. The first bullet has been removed from the revised Evaluation document.

If you have any questions please contact me at (602) 417-4447.

Sincerely,

Lynn Dunton
Assistant Director
Office of Intergovernmental Relations